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November 14, 2019

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

19-0030

Re: Request for Title and Summary for Proposed Initiative

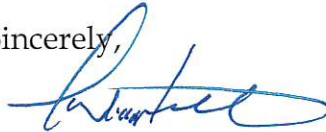
Dear Initiative Coordinator:

With this letter I submit a proposed statewide ballot measure in accordance with Article II of Section 10(d) of the California Constitution. I am the proponent of the measure and a registered voter in the State of California. Please prepare a circulating title and summary of the measure as provided by law.

Enclosed with this letter and text of the proposed measure is a check in the amount of \$2,000 and the affidavits required by the Elections Code.

Thank you for your time and attention processing my request.

Sincerely,



Thomas W. Hiltachk

INITIATIVE MEASURE SUBMITTED DIRECTLY TO VOTERS

SECTION 1. Statement of Findings and Declaration of Purpose.

- A. More than 70,000 California patients with kidney failure rely on kidney dialysis to stay alive. During dialysis, patients are connected to a machine that does the job of the kidneys, removing toxins and fluid from their bodies.
- B. Dialysis is a life-sustaining treatment. Patients receive dialysis three days a week, for three-to-four hours at a time.
- C. Preserving and improving dialysis quality care is essential for these vulnerable patients. A team of caregivers surrounds every California dialysis patient to provide high-quality care. This team typically includes a physician medical director, nurse, vascular surgeon, dietitian, patient care technician, nurse manager, nurse clinical coordinator, social workers, nephrologists and other specialists.
- D. According to the Centers for Medicare & Medicaid Services, dialysis clinics must adhere to 376 unique regulations and are surveyed regularly to ensure compliance.
- E. According to federal and state government regulators, California dialysis care exceeds the national average in both care quality and patient satisfaction. In fact, infection rates are far lower in California than the national average according to government regulators.
- F. According to the United States Renal Data System, in the last 10 years, mortality rates have decreased by 22% and hospitalization rates have decreased by 19% for dialysis patients in California.
- G. Protecting and maintaining access to dialysis is critical. Without treatment, patients with failing kidneys will die. Missing even one dialysis treatment increases patient risk of death by 30%.
- H. Today there are about 650 dialysis clinics in California. Over the next 10 years, the demand for dialysis in California is expected to increase by 5% annually. It is estimated that California will need an additional 350 clinics to meet that demand.
- I. Without access to regular care at community dialysis clinics, tens of thousands of patients would be forced into overcrowded emergency rooms and hospitals, where care is far more expensive – resulting in more ER overcrowding and increasing costs for taxpayers.
- J. Special interests in California have spent tens of millions of dollars pushing deceptive and flawed ballot measures and legislation that would jeopardize patient access to the dialysis care they need to survive, and measures that jeopardize care quality for dialysis patients.
- K. California laws covering dialysis care should protect dialysis quality of care, while also protecting and enhancing access to care that is vital for the 70,000 dialysis patients who need dialysis treatments to stay alive. Therefore, the people hereby enact the “Dialysis is Life Support Act” to further this purpose.

SECTION 2. The Dialysis is Life Support Act

Sections 1226.7, 1226.8, and 1226.9 of article 3 of chapter 1 of division 2 of the Health and Safety Code are added to read:

§1226.7(a) A chronic dialysis clinic shall deliver the same quality and standard of dialysis treatment to each of its patients with no discrimination in such treatment standards on the basis that a payer is an individual patient, private entity, insurer, Medi-Cal, Medicaid, or Medicare.

(b) A chronic dialysis clinic shall not terminate, abridge, modify, or fail to perform under any agreement to provide services to patients covered by Medi-Cal, Medicaid, or Medicare on the basis of the requirements imposed by this chapter.

§1226.8(a) A chronic dialysis clinic must have a medical director, who is a licensed physician, to be responsible for the delivery of patient care and outcomes in the facility as required by federal law. The medical director is accountable to the governing body of the clinic for the quality of medical care provided to patients. A medical director's responsibilities include, but are not limited to, the following:

(1) Quality assessment and performance improvement program.

(2) Staff education, training, and performance.

(3) Policies and procedures. The medical director must (A) Participate in the development, periodic review and approval of a policies and procedures manual for the facility; and (B) Participate in the implementation of the policies and procedures manual, including all policies and procedures relative to patient admissions, patient care, infection control, and safety; and (C) direct the interdisciplinary team in adhering to the discharge and transfer policies and procedures specified under federal law.

(b) For each chronic dialysis clinic, the clinic or its governing entity shall quarterly report to the department, on a form and schedule prescribed by the department, dialysis clinic health care associated infection ("dialysis clinic HAI") data, including the incidence of dialysis clinic HAIs at each chronic dialysis clinic in California. The department shall post on its Web site the dialysis clinic HAI data. The posted information shall include information identifying the governing entity of each chronic dialysis clinic. The department shall conform the reporting, form, and schedule required by this section to the HAI data reporting to the National Healthcare Safety Network in accordance with National Healthcare Safety Network requirements and procedures.

(c) In the event the department determines that a chronic dialysis clinic or governing entity failed to maintain the information or timely submit a report required under this section, or that the report submitted was inaccurate or incomplete, the department shall assess a penalty against the chronic dialysis clinic or governing entity not to exceed ten thousand dollars (\$10,000). The department shall determine the amount of the penalty based on the severity of the violation, the materiality of the inaccuracy or omitted information, and the culpability of the chronic dialysis clinic or governing entity in causing the violation. Penalties collected pursuant to this paragraph shall be used by the department to implement and enforce laws governing chronic dialysis clinics. If a chronic dialysis clinic or governing entity disputes a determination by the department to assess a penalty pursuant to this section or the amount of the administrative penalty, the chronic dialysis clinic or governing entity may, within 10 working days, request a hearing pursuant to Section 131071. A chronic dialysis clinic or governing entity shall promptly pay all

administrative penalties when all appeals have been exhausted and the department's position has been upheld.

(d) For purposes of this section:

(1) "Dialysis clinic HAI" means a bloodstream infection, local access site infection, or vascular access infection related to a dialysis event as defined by the National Health and Safety Network of the federal Centers for Disease Control and Prevention.

(2) "Governing entity" means a person, firm, association, partnership, corporation, or other entity that owns or operates a chronic dialysis clinic for which a license has been issued, without respect to whether the person or entity itself directly holds that license.

(3) "Licensed physician" means a nephrologist or other physician licensed by the state pursuant to Chapter 5 of Division 2 of the Business and Professions Code.

(4) "National Healthcare Safety Network" or "NHSN" means the secure, Internet-based system developed and managed by the federal Centers for Disease Control and Prevention (CDC) that collects, analyzes, and reports risk-adjusted Dialysis center HAI data related to the incidence of HAI and the process measures implemented to prevent these infections, or any successor data correction system that serves substantially the same purpose.

§1226.9. (a) Prior to permanently closing a chronic dialysis clinic, the clinic or its governing entity must provide written notice to the department at least sixty (60) days before such closure, or substantial reduction in service.

(b) The governing body shall provide written notice to patients at least sixty (60) days before such permanent closure and the chronic dialysis clinic's interdisciplinary team shall assist patients to obtain dialysis treatment in other facilities.

(c) The department shall adopt regulations implementing this section.

(d) "Governing entity" has the same meaning as in section 1226.8(d)(2).

SECTION 3. No Cost to Taxpayers

Section 1266.3 is added to the Health and Safety Code, to read:

§1266.3. It is the intent of the People that California taxpayers not be financially responsible for implementation and enforcement of the Protect the Lives of Dialysis Patients Act. In order to effectuate that intent, when calculating, assessing, and collecting fees imposed on chronic dialysis clinics pursuant to Section 1266, the department shall take into account all costs associated with implementing and enforcing Sections 1226. 7 through 1226.9.

SECTION 4. Nothing in this act is intended to affect health facilities licensed pursuant to subdivision (a), (b), or (f) of Section 1250 of the Health and Safety Code.

SECTION 5. General Provisions

(a) The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid application.

(b) If any other measure relating to the regulation of chronic dialysis clinics or the treatment and care of dialysis patients is approved by the voters at the same election that this act is approved by the voters, the provisions of the other measure shall be deemed to be in conflict with this act. This act is intended to be comprehensive regarding the subject of the regulation of chronic dialysis clinics and the treatment and care of dialysis patients. In the event that this act receives a greater number of votes than the other measure, the provisions of this act shall prevail in their entirety and the provisions of the other measure shall be null and void.

(c) The act may be amended by the Legislature to further the purposes of the act, but only upon a statute passed in each house of the Legislature by rollcall vote entered into the journal, four-fifths of the membership concurring, provided that the statute is consistent with and furthers the purposes of the act.